426 loans and the lending of public money, and then by ordering the
661 complete withholding of government loans.[20]

*175 More effective, because more easy to carry out, was Yang's
439 policy of regulating trade balances. He required merchants to limit imports to values which would not exceed the value of exports. The object of this policy was both to prevent the draining of wealth from the province and to prevent Uighur merchants from banking their accumulated wealth in Russia (before the Russian Revolution), and also to stop Chinese merchants from holding their wealth in provinces other than Sinkiang. He himself, however, through Chinese merchants acting as his agents, sold Sinkiang exports, principally in Tientsin, and then banked the proceeds not in China but under the American flag in the Philippines.

*175 During Yang Tseng-hsin's rule Sinkiang was forced to change
652 its fiscal basis completely. Before the Revolution, the province had been heavily subsidized by the Imperial treasury. The annual subsidy was at one time as high as 2,920,000 taels; then it fell to 2,600,000 taels, and by the time of the Republic the poverty of the Central Government cut off the subsidy altogether. Yang Tseng-hsin then issued his own provincial paper currency to a face value of about 10,000,000 taels.[21] This measure inevitably caused an inflation and considerable hardship.

*175 Eventually, no less than four paper currencies were established
436 in the same province. The Urumchi, Turfan, Ili, and Kashgar regions each had its own currency, and each currency exchanged against the others at different rates. Each paper currency, carrying values not in dollars but in taels, had a subsidiary copper coinage. Only in the Kashgar region, with its two-way trade with both India and Russian Turkistan, was there a certain amount of silver backing, with silver coins in circulation in addition to paper.

[20] For these reforms or attempted reforms, see Tseng Wen-wu, *op. cit.*, pp. 595–596.

[21] Chiang Chün-chang, *Hsinchiang Chin-Yin Lun*, Nanking, 1936 (reprinted Chungking, 1939), p. 45 (in Chinese).

According to recent field-survey figures, which make possible rough estimates rather than accurate statistical tabulation, the annual wheat crop of Sinkiang is about 253,000 tons, representing about 44 per cent of the total crop of grains, beans, and seeds. Corn reaches 331,000 tons, or 28 per cent. Rice is about 71,000 tons, or 6 per cent. Barley, kaoliang (sorghum millet), oats and peas are classed together because they are largely used as feed grains. In Jungaria they are grown, largely by rainfall farming, to sell for feed to the long-distance camel caravans which, when times are peaceful, trade into the Outer Mongolian People's Republic, through Inner Mongolia to North China, and across the desert gap into Northwest China. The total crop reaches about 119,000 tons, or 10 per cent. Millet, soy beans and green beans, often in alternate rows in the same field, reach 71,000 tons or 6 per cent. Sesame, rapeseed, and linseed account for 71,000 or 6 per cent.

In subsidiary production, melons are grown in all oases. Dried melon rind is exported by caravan from Komul to China, as a delicacy, and the raisins of Turfan rival the melons of Komul in reputation. In gorges in the hills at the edge of Turfan, and also of Khotan, the growing of grapes is a local specialty.

The branches of willows growing along the banks of canals are cropped regularly for fuel. Another form of fuel, the use of which decreases the supply of fertilizer, is animal dung collected by old men and children who follow animals at pasture and scour the roads. The most important source of fuel, however, is the desert tamarisk gathered beyond the oasis.

Some peculiarities of Sinkiang agriculture are that winter wheat is grown north of the Tien Shan where, in spite of the cold, the seeds are protected by a cover of snow, but only spring wheat can be grown south of the Tien Shan, where lack of a snow cover exposes the seed to being frozen in the ground. Wheat is tending to be displaced by rice in oasis fields which are becoming alkalinized by irrigation. On the other hand the yield of rice is lower than that of corn, because the Uighur farmers do not transplant

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243 the young rice shoots as Chinese farmers do. On the average, the
242 amount of labor expended on a unit of land is about the same in Sinkiang as in China proper, but the yield is somewhat less.

Cotton is the most important commercial crop in Sinkiang. It is
248 known to have been grown in Turfan as early as the T'ang Dynasty (618–907). By 1750, it was used to pay taxes in Yarkand.[15] In 1776 it was described as ranking next to the wheat crop in importance,[16] and it has been one of the leading exports to Russia since 1890. The cotton belt lies south of the Tien Shan. Turfan and Merket (on the northern edge of the Yarkand oasis) lead in production, followed by Yarkand, Khotan, Kashgar, and Aksu.

Two varieties are grown, native and American. After failure in experimenting with Sea Island cotton in Tashkent in the 1870's, two Russian merchants named Belyakov and Lakhtin experimented very successfully with the Upland variety in 1883. After 1885 American species began to supplant the native type in Ferghana and Samarkand. A few years later Russian dealers set out to improve the quality grown in Sinkiang by distributing American seed.[17] Up to 1942 large quantities of seed were imported yearly from the Soviet Union, especially two varieties of American origin called "Shredder" and "Novrozkii." From American long-staple varieties of 25 to 29 mm., 32-count yarns can be spun, while the short-staple Inner Asian variety can be used only for 24-count yarns. In 1943, 100,000 acres of cotton were planted, 73 per cent with native cotton and 23 per cent with seed of the American varieties.

231 Silk is a second ancient crop of commercial importance. The
• 439 most noted silk oases have always been Khotan and Yarkand.
288 Part of the raw silk they produce is manufactured on the spot into fabrics which have greatly declined in value and beauty in recent years, and the rest is exported to the Soviet Union and

[15] Kuropatkin, p. 126.

[16] Chuan Yuan, *Geography of the Western Regions*, written 1776, published 1818, chuan 1, p. 1 (in Chinese).

[17] "Economy in Sinkiang," *Chinese Weekly Economic Bulletin*, Chinese Government Bureau of Economic Information, pp. 16, 109, April 25, 1925.

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India. The silkworms are fed on leaves from mulberry trees grown along the roadsides; there are also a few groves of wild mulberry. In recent years the Russians attempted to improve quality by importing eggs of the Baghdad, Oro, and Ascoli varieties. Silk production reached 350,000 kg. in 1942, but fell drastically to 100,000 kg. in 1943.

The basic producing unit in oasis agriculture is the family group living together under one roof. This group often includes married children, which makes it slightly larger than the average farm family in China. In Central China (Wukiang) an average farm family consists of four persons,[18] in North China (Paoting) of six persons,[19] in Northwest China (Kansu) of 6.87 persons.[20] A field survey in Khotan showed 7.95 persons, and in Kashgar a typical family consisted of an old couple, two sons, and three daughters-in-law. In the tiny oasis of Kumish a similar family consisted of parents, three sons, two daughters-in-law, and a daughter and her husband, or nine in all.

While farms in the Tarim Basin average from 4½ to 6 acres in size, larger than the 4.2 acres given for China proper,[21] the larger size of the families means, in Khotan for instance, only .58 acres per capita as against .68 acres in China proper.

There are many farms, of course, which are much smaller than the overall average. The field survey referred to above, covering sixty-five households in two villages in the Khotan oasis, showed that the smallest farm was 1.08 acres and the largest farm was 18 acres. A further breakdown of the figures shows that rich peasants in this group of sixty-five households had average holdings of 11.1 acres, middle peasants 5.7 acres, and poor peasants 2.8 acres.[22] The farms of the poor peasants are too small for the

[18] Fei Hsiao-tung, *Peasant Life in China*, New York, 1939, p. 29.

[19] Farm survey conducted by the Institute of Social Sciences, Academia Sinica.

[20] Farm survey conducted by the National Resources Commission of China.

[21] Geo. B. Cressey, *Asia, Lands and Peoples*, New York, 1944, p. 84.

[22] Uighur farmers, however, do not measure their land by its size but in terms of the amount of seed which can be sown on it. The Uighur measure for this purpose is the *charak*, which varies both from place to place and according to the seed measured. In Kashgar, the *charak* equals 24 pounds of

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423 efficient use of draft animals, and it is a problem how to employ efficiently, on a tiny farm, the labor potential of the large Uighur family.

Trade and Finance

439 Today as throughout the past the biggest share of Sinkiang's
487 trade is with territories to the west rather than with China, which lies to the east. In trade with Sinkiang the Soviet Union has inherited an advantage created by geography. The richest parts of Sinkiang lie along the western frontier, and goods from these districts can reach the Soviet Union by relatively easy trade routes. It will be difficult to change the circuit of trade even by building rail and road communications with China, because these new trade routes would have to cross many hundred miles of barren land in which there are no markets and no pay loads to be picked up.

438 Both farming and herding contribute to the trade of Sinkiang.
174 Theoretically, both oasis farmers and steppe or alpine herdsmen can live without trade. Each way of life is capable, at a pinch, of providing everything that is needed to sustain the community. Historically, however, no long-continued period of "pinch" of this kind can be identified. There are proofs of trade from the Neolithic Age onward. In practice, only farmers and herdsmen who are so poor that they have no surplus whatever to sell are "pure" farmers and herdsmen. When the Chinese first came to Sinkiang in the Han Dynasty, the annals record that they found trade between oases: the little "kingdoms" of Shan-shan (near Lob Nor), Pu-li, and I-nai drew grain from the larger oases of Charchen, Yarkand, and Kashgar. Since oases like Charklik and Turfan frequently fell under the rule of the nomad Hsiungnu, there must

wheat, 25 of barley, or 26 of corn. The field survey just quoted showed that the average size of farm cultivated by one household was 25.8 *charaks*, the largest 100 *charaks*, and the smallest six. Measurement on the spot indicated that one *charak* of seed would sow about .18 acres, so that the average size of farm in these villages worked out at four and a half acres.

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have been periods of three-cornered trade between the Chinese, the nomads, and the oases, alternating with periods of war.

It is hard to disentangle early trade from early diplomacy. In one aspect, the celebrated Silk Route trade through Inner Asia was a long-distance trade in a luxury commodity passing over the oases rather than entering into their economic life. At the same time, however, oasis rulers carried on trade in a disguised form, by sending embassies with gifts to the Chinese Court. The Chinese sent back more valuable gifts, since this was cheaper than military expeditions as a way of entering the oases and holding a flank position against the Hsiungnu nomads. Some at least of the silks sent as presents must have been sent on by the oasis rulers as diplomatic gifts in the other direction, to the kingdoms in Russian Inner Asia, Afghanistan, and Iran. Similar presents must also have been sent to the nomads, since the oases were caught in a squeeze between nomads and Chinese, and while nomads and Chinese were maneuvering for power, the little kingdoms were maneuvering for appeasement.

The later forms of trade take familiar forms: where commodities of trade value can be produced, they make it possible to abandon a subsistence economy and to buy food and other necessities. At the present time there is trade in grain from oases which do not have large towns to oases which do — from Chira to Khotan, from Kharakash to Kashgar, and even from Yarkand, where the urban population is smaller in proportion to the farming area, to Kashgar which is the largest city in the province. Komul, which has an annual deficiency of 50,000 bushels, buys grain from Muleiho and Kuchengtze. Turfan, where the food-growing area is reduced by the growing of raisin grapes, buys grain from the nearby oasis of Toksun. Grain movements in Jungaria cover still greater distances. Grain is sent more than 400 miles from Kulja to Urumchi, this being possible because for several months in the winter the road is covered with packed snow, over which carts move easily, carrying a good pay load. The Altai brings grain from Kuchengtze, and beyond, which is possible because of cheap

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438 camel transport, the camels feeding on desert pasture as they go. Grain, cloth, and tobacco are the staples for sale from the oases to nomads. The return trade consists of sheep, goats, and cattle for slaughtering, cattle and horses as work animals, better quality horses for riding, and wool and hides as raw materials for artisan handicrafts.

One of the striking characteristics of the external trade of Sinkiang is that trade with China is essentially, in both its economic and its political aspects, trade with a foreign country. In spite of Chinese sovereignty, and the fact that Sinkiang has had a "standardized" provincial administration since 1884, the Chinese administrators of the Provincial Government have always had a strong tendency to make themselves into independent satraps. Under the Manchu Dynasty, Sinkiang drew an Imperial subsidy from Peking, and this political income was more important than the turnover of trade. Since 1911, under the Republic, the province has most of the time been "on its own," and its governors have manipulated all trade, including trade with China, neither for the purpose of building up the provincial economy nor in order to create an economic nexus between Sinkiang and the rest of China, but primarily to accumulate personal wealth in negotiable forms which could be deposited in safe haven somewhere outside of Chinese territory.

439 489 133 Geography also hampers trade between Sinkiang and the rest of China. The greatest expanses of desert in and adjacent to Sinkiang lie on the side toward China. The distance by camel caravan from Kuchengtze through Inner Mongolia to railhead in Suiyuan Province is at least 1200 miles. The distance is even greater by cart or caravan from Komul across the desert to the Kansu Corridor, then by cart through Kansu to railhead in Shensi Province; and cart transport is more expensive than camel transport. It is not surprising that, even in the early 1930's before the years of wartime disruption, only 12.5 per cent of Sinkiang's external trade was with China.

439 489 Historically, after the age of the Silk Routes and of medieval trade, tea became important in trade between China and Kashgar

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by 1750.[23] Sinkiang still imports tea from China, together with silk and the factory-made cotton goods which compete with homespun cotton, and profitable but inessential goods like porcelain, cigarettes, flashlights, and Western-style men's hats. Luxury exports to China are raisins, jade, and furs. Bulk exports are sheep's wool, camel's wool, and the intestines of sheep (for making sausage casings). The quantity exported to China is entirely dependent on the Russian market, because the much shorter distance to railhead in Soviet territory makes it impossible for China to compete when Russia is willing to buy.

Trade with the Mongolian People's Republic has always been of minor importance. Mongolia is a pastoral country, and it adjoins the pastoral regions of Sinkiang, so that all that Sinkiang can export is grain, which can be cheaply carried by camel caravan.

Trade with India, amounting in the early 1930's to 5 per cent of Sinkiang's external trade, is limited by the fact that the main trade route, over the Karakoram to Leh, crosses five passes of more than 17,000 feet. The average loss in caravan animals is in the neighborhood of 40 per cent; and from Leh more passes have to be crossed on the way down to Kashmir. British policy has always encouraged trade between India and Sinkiang, but in the last fifty years the development reached has been anything but healthy. Indian merchants, settled in the southwestern oases, invest their profits partly in usury, which leads to lawsuits and ill-feeling. They also invested, until recently at least, in buying and growing *charas* or Indian hemp, a plant closely related to marijuana, which provided compact, high-value loads that could profitably be carried over the high passes to India. This trade in a dangerous narcotic, which in 1937–1938 represented 42 per cent of the total value of exports to India, was made the target of a political drive against British interests in Sinkiang during the "anti-imperialist" phase of the governorship of Sheng Shih-ts'ai in the late 1930's.

These limitations of trade in other directions make it plain why trade with Russia is the only mechanism which can pump vitality

[23] Kuropatkin, *op. cit.*

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into the economic life of Sinkiang. In the early 1930's it reached 82.5 per cent of Sinkiang's foreign trade. The most populous and productive areas lie closer to Russia than to any other market. The situation is one which is completely open to the manipulation of Soviet policy, but it was not created by Soviet policy.

Cotton has been the most important export to Russia from the oases since 1890. In 1926–1927 the Soviet customs returns listed 2676 metric tons of cotton imported from Sinkiang. While cotton averages perhaps a little less than 10 per cent of the total value of exports to the Soviet Union, its relative importance is shown by the fact that more than half of the crop in the Turfan oasis, the largest producer, is normally sold to the Soviet Union, and when the Chinese authorities cut off trade in 1943, because of bad political relations, the effect of the resultant fall in prices was widespread.

From the pastoral regions, livestock are the most important export to the Soviet Union, followed by livestock products like wool and hides. Because the Soviet statistics do not give ad valorem figures, it is difficult to state the values of these exports, but it is evident that they greatly exceed the value of exports from the oases. Before the first World War and the Russian Revolution, in 1913, 300,000 head of sheep alone were sold to Russia, representing about 10 per cent of the total number of sheep in the Kulja and Chuguchak regions. Trade fell abruptly during the Revolution and civil war, and did not begin to recover until about 1925. In 1926, 90,000 sheep were exported. One Russian author states that in the first half of 1926 sheep alone accounted for 32 per cent of Russia's purchases from Sinkiang, while all livestock together accounted for 48 per cent.[24] Another Russian author states that between 1930 and 1933 livestock and livestock products provided from 79 to 93 per cent of Soviet purchases from Sinkiang.[25]

This trade is of benefit to both sides. From 1918 to 1924, when

[24] N. Stefanov, "The Foreign Trade of the U.S.S.R. in Central Asia," in *Planned Economy*, Moscow, Oct. 1926 (in Russian).

[25] P. M. Fesenko and others, *Iran, Afghanistan and Sinkiang*, Moscow, 1936, p. 346 (in Russian).

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trade with Russia was at its lowest, Sinkiang suffered severely. Cotton had to be sold at prices low enough to make possible caravan transport for at least 1500 miles from Turfan to railhead in Suiyuan, followed by rail carriage to Tientsin, and finally sea shipment to Shanghai, where it competed with American cotton. During this period of depression and low prices American and German firms and a few Chinese merchants from Tientsin set up plants in Sinkiang for processing sheep intestines which they exported, together with wool and furs, to the distant sea coast, importing in return Japanese textiles, American shoes, sugar, and other manufactured articles. As soon as trade with Russia began to revive, prices rose and these firms could no longer compete.

Russian writers state that the growth of large consuming cities in Soviet Inner Asia accounts for the increasing demand for meat from Sinkiang.[26] The cotton-growing Soviet regions are the chief purchasers.[27] Thus the shift from diversified farming to specialized farming, especially in Uzbekistan, accompanied by industrialization all over Soviet Inner Asia, has increased the demand for livestock from Sinkiang and thus in turn increased the degree of commercialization in the pastoral economy of the Sinkiang nomads.

The oases of Sinkiang, with their relatively large population and demand for consumer goods, buy more from the Soviet Union than they sell. Northern Sinkiang, on the other hand, with its small population and large production of livestock, sells more to the Soviet Union than it buys, and is therefore able to use some of its cash balance to buy from the oases. Soviet-Sinkiang trade as a whole, therefore, has a circular motion — out of Jungaria into the Soviet Union, out of Soviet territory into the oases, and out of the oases into Jungaria, completing the circle. As a consequence, whenever trade with the Soviet Union falls off, the internal trade of the province also suffers.

In normal times, the velocity of the circulation of trade is en-

[26] Stefanov, *op. cit.*

[27] O. Bukshtein, "The Trade of the U.S.S.R. with Sinkiang," *New East*, 1928, No. 10–21 (in Russian).

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hanced by the fact that the balance is in the favor of Sinkiang. The amount of the favorable balance, unfortunately, cannot be determined. The Sinkiang provincial statistics have never been systematically kept, and the Soviet statistics lack some kinds of information. The ruble used in Soviet statistics has been more than once revalued, and in addition Soviet exports are valued f.o.b., expressing the amount received for them without the addition of freight charges, while imports are valued c.i.f., so that the cost of insurance and freight is added to the cost of the goods themselves.

In relative terms, Russia's frontier trade with Mongolia and Sinkiang as early as 1905 far exceeded trade with China proper,[28] and it is probable that the same situation exists today. By 1932, Mongolia and Iran were first and second in Soviet trade with countries in Asia, while Sinkiang stood third, followed by Turkey and Afghanistan.

Soviet trade with Sinkiang follows the typical "colonial" pattern of purchasing raw materials and selling manufactured goods. In 1932, cotton textiles accounted for 72 per cent of Soviet sales to Sinkiang, followed in importance by metals and ironware, sugar, electrical equipment, crockery and glass, petroleum, matches, and silkworms. Soviet financial policy, however, deliberately reverses the conventional pattern of draining wealth from the "colonial" market by buying cheap and selling dear. As early as the Second Conference of National Commissariats of Foreign Trade in 1923, the policy was adopted of rebating prices on Soviet manufactured goods destined for countries in Asia.[29]

Price, rather than quality, probably accounts for the boast of a Soviet writer in 1926 that "in Kashgar our textiles have driven British-Indian goods out of the market by their superior quality.[30] Twenty years ago no manufacturing country would concede the superior quality of Soviet goods; but it is true that at the present

[28] H. B. Morse, "Chinese Imperial Maritime Customs," *Returns of Trade and Trade Reports, 1905*, Shanghai, 1906, Part I, vii.

[29] Violet Conolly, *Soviet Economic Policy in the East*, London, 1933, p. 141.

[30] Stefanov, *op. cit.*

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time buyers and users in Sinkiang admit not only the wearing quality of Soviet textiles but the ruggedness of Russian trucks, which truck drivers in Sinkiang and Northwest China consider superior to American trucks for rough work. 439

In recent years, the Soviet financial policy of enhancing the buying power of Sinkiang has taken the form of granting a 20 per cent premium in barter deals involving exchange of Sinkiang raw materials for Soviet manufactured goods. An actual example is a contract in which one package of Soviet-made cigarettes was made the unit of exchange for one catty (about 1.3 lbs.) of Sinkiang wool, at a time when the prevailing prices in Sinkiang were 8.40 Sinkiang dollars for a package of Soviet-made cigarettes and 7.00 Sinkiang dollars for a catty of wool.

In concluding this chapter, it should be said that in the year 1948 economic life in Sinkiang was in full crisis. Trade with the Soviet Union had practically ceased, and inflation within the province had become malignant. A little historical background must be sketched in to make the situation understandable. 436 457 458

The old Tsarist Russian ruble was formerly accepted in Sinkiang, and was in fact preferred to Chinese currencies. Branches of the Russo-Asiatic Bank operated in Urumchi, Kashgar, Kulja, and Chuguchak; they financed foreign trade, and provincial funds were placed on deposit with them. In 1913 the Russian ruble exchanged for eight Urumchi taels. In 1917, with the Russian Revolution, the ruble fell to .63 taels but did not collapse completely because all branches of the Russo-Asiatic Bank outside of Russia were taken under French protection and managed to keep operating for some years. By 1919, however, the old ruble was worth only .10 taels. A year or two later it was utterly worthless, while the new Soviet currency was suspect and unwanted.

A multiple provincial currency, sponsored by the Chinese Governor, Yang Tseng-hsin, then became the medium of trade and account, as described in Chapter III, by the Governor's policy of never issuing paper to the value of more than 20,000,000 taels. At the same time he allowed a number of taxes, including the land tax, to be paid in money instead of in kind. Money thus

then organized at Kashgar. The British felt their "preserve" in nearby India was being "threatened" and as a consequence "countered" Russian action both by recognizing the Beg and by taking a more active interest in "trade" with South Sinkiang.

Sinkiang-Indian trade had been under way for some time, but the British Government became officially committed to its furtherance in 1876. This policy, they found, could not be pursued satisfactorily without dispatch of an armed force to pacify the Northwest Frontier of India. In taking this step, they trespassed on what Chinese feel was and is their ground. Thereupon, say Chinese, when in 1884 a British force marched into "Kanjut" *(K'an-chü-t'i* or *Kan-chu-t'e)*—the site of the Gilgit Agency and Hunza Valley of modern Northwest India—outright English "aggression" against Sinkiang began. Subsequently a British agent and a British consul were established at Kashgar. This South Sinkiang metropolis became a focus for British activity which, under the aegis of the Indian trade agent, the British consul, and native *aqsaqals* (headmen), was carried on mainly as an intra-Mohammedan affair. It became, consequently, subject to a persistent suspicion on the part of Chinese non-Moslems.

Manchu Commercial Efforts

That the Russians and British were attempting to dominate Sinkiang trade became apparent to China by the closing years of Manchu rule. In a limited and tardy way the Manchus attempted to strengthen administration in the province, therefore, and to foster new development of intra-Chinese trade. New colonizing blood was poured into the veins of Sinkiang. At the same time went manufacturers and ideas; and from the province came jade, gold, furs, skins, and a number of other items. The avidity with which foreigners in Tientsin and Shanghai sought the furs, skins, and wool especially helped, and by the beginning of the twentieth century Chinese traders were bringing these goods out of Sinkiang in such amounts that she was beginning to experience a new prosperity. But the process of itself could not develop to satisfactory proportions, due to the then current weakness of the

Manchu position in China as a whole, as well as to the physical limitations set by the necessary journey.

The Convenience Factor

Traditional routes from China Proper into Sinkiang not only have always been fraught with danger and difficulty, but they have also been excessively long. Negotiation by primitive means of some 1,500 miles of hard travel over desert and mountain areas formerly was required for the journey from Pei-p'ing to Tihwa; there were, in addition, the following distances from Tihwa to selected outlying Sinkiang trade centers near the Russian and Indian frontiers:

Sui-ting (Kuldja)	360 miles
T'a Ch'eng (Chuguchak)	375 "
Aqsu	927 "
Kashgar	1,375 "
Khotan	1,644 "

Yet, compare those distances with the mileage along main trade routes by which there was travel from modern communication centers in Russia to key points in Sinkiang. A French writer, M. Castagné, has shown that from:

Andizhan to Kashgar by Irkeshtam through Terek Pass is	427 miles
Pishpek (Frunze) to Kashgar by Narinsk through Chatir Kōl is	346 "
Alma-Ata to Sui-ting (Kuldja) by Khorgos is	534 "
Semipalatinsk to Chuguchak (T'a Ch'eng) by Sergiopol is	400 "
Zaisan to Sharasume is	160 "
Zaisan to Chuguchak is	160 "

M. Castagné also points out how the Russians were economically favored over even the British when he explains that from Leh, in Northwest India—along a customary British trade route—it is respectively 460, 530, and 619 miles to such key commercial points of South Sinkiang as Karghalik, Khotan, and Keriya. The British routes, besides, went over some of the most difficult mountain passes in the

487 world, some replete with blizzards and terrific heights; at least one over 18,000 feet.

These remarks show, without need of further elaboration, that the main centers of Sinkiang have been relatively much more convenient to centers of Russian Central Asia than to those of British India or, to a much greater extent, those of Eastern China. They also show how Russia's favored geographical position could shortly turn Sinkiang trade in her favor.

The Emergence of Tsarist Leadership

439 For a generation the Tsarist Government had wielded considerable commercial influence in the Kashgar region of South Sinkiang; and the proximity of the Russian Turkestan railways and highways was felt only less by degree in the Altai and T'ien Shan areas of North Sinkiang. According to Gabitov, a Soviet writer, a real shift toward Russia in Sinkiang trade came in the period immediately following the Russo-Japanese War of 1904-1905. Up to then nearly all the wool of Tihwa and Tarbagatai (T'a Ch'eng) had gone into Tientsin across Suchou and Lan-chou. But in 1905 the freight prices jumped, and Tientsin imports of Sinkiang wool were diminished. This started a shift which took the goods from Tihwa across the Chinese-Russian border to Semipalatinsk and on to the east coast of Asia via the Trans-Siberian Railway. This export route made good use of the relatively comfortable trek from Tihwa to the Russian border via the Manas River valley. In the early years of the twentieth century this avenue of trade became the most important for Sinkiang. Large and small livestock and raw materials for Russia herself also went this way, but some other Sinkiang products—cotton, silks, and a certain amount of wool from the Khotan, Keriya, and Yarkand areas farther south—entered Russia along the Kashgar-Irkeshtam-Osh road. In return Russia sent Sinkiang finished manufactures, silks, iron (including plated and rimmed iron), barred steel, earthenware, perfumes, and sugar. Henceforth, with the exception of the earliest period of Soviet government in Russia, Sinkiang-Russian economic bonds gradually grew stronger. By 1930 Soviet engineers had completed the Turksib Railway, which reached almost

to the Chinese frontier; thus Russia gained another great advantage over her rivals in the markets of Sinkiang. Total recorded Sinkiang-Soviet trade in 1930 had already jumped to over 32,000,000 rubles, and in 1931 Soviet Russia reportedly obtained new and considerable trade and communications privileges in the Chinese province. When the revolt of Sinkiang Moslems during 1930-1933 led to the emergence of Sheng Shih-ts'ai, Soviet Russia extended him such substantial aid that he was able to institute sweeping changes in the territory under his administration.

The Soviet Position: One Chinese View

There are Chinese, such as the writer Chiang Chün-chang, who have intimated that the Soviet record in Sinkiang has been merely a continuation of old Tsarist imperial policy and who hint that Sheng Shih-ts'ai has been merely an instrument in the hands of Soviet Russia. Chiang, whose opinion does not necessarily represent that of most Chinese, appears to feel that Soviet as well as Tsarist Russia has been an "aggressor" in Sinkiang. His argument (in public print, 1937-1939) has been that Soviet Russia began to make great headway in Sinkiang after the assassination of Yang Tseng-hsin and after Chin Shu-jen (by specific agreement in October, 1931) had welcomed the importation of Soviet arms into the province. When Sheng Shih-ts'ai's influence had succeeded that of Chin Shu-jen, Sheng got Soviet help in overcoming provincial opposition, and relates Chiang, "has since then been one of the Soviet brood." "Sheng Shih-ts'ai has engaged Soviet advisers in his army," has not conferred "with the Ministry of Foreign Affairs," and has not sent "duplicate copies of treaties for the Executive Yüan to keep on record," Chiang adds. Though information on the extent of the authority which is held by such Soviet advisers as have been in Sinkiang is not clear and is largely based on foreign reports, Chang Chün-chang continues, it is to be feared that Soviet Russia has been sending many Kazakhs across the Soviet border into Sinkiang and has planned to have part of Sinkiang enter Soviet Kazakhstan. At the same time, he says, she has reportedly prepared Sinkiang Moslems to form a "Moslem Soviet under Soviet Russia."

648 and even "radical" ideas as well as material advances for the populace. These changes came for a time almost in spite of what Chinese from China Proper, and probably others from abroad, could say or do; and they may largely be explained by a gradual drift in Sinkiang, dating from Tsarist days, toward close economic relations with Russia. Yet this evolution has not prevented the merging of the Sinkiang political program with that of Nationalist China.

The Difficulties of Early Soviet-Sinkiang Relations

It has been mentioned that, when Republican Chinese overthrew the Manchu Dynasty in 1911-1912, Sinkiang administration became the responsibility of Yang Tseng-hsin. In at least one sense the advent of his regime was fortunate. Yang's firm seizure of autocratic powers prevented political disintegration in the province, which, nominally at least, remained Chinese and did not fall into alien hands. Otherwise the old life of Sinkiang might have ended earlier in an even worse internal scramble than that of 1931—possibly Sinkiang might even have become openly a part of the Tsarist Empire. As events turned out, Yang watched the borders of his province closely and maintained cordial but not servile relations with Russia. The Bolshevik Revolution of 1917, however, created a new situation.

Unrest within Russia had manifested itself in Turkestan as early as the Kirgiz insurrection of 1916, and by the next year the Sinkiang-[439] Russian border was severely disturbed. Gabitov indicates that the first reaction was a swiftly increasing surplus of wool. This piled up on the Russian side of the frontier, because of a lack of transport facilities to send it on to Russian and third-party markets. By 1918 the oversupply had halted much of the Sinkiang trade with Russia, and by 1920 that trade had ceased almost completely. Chinese probably were secretly relieved that revolution had upset the Tsarist tendency toward expansion in the direction of Sinkiang, but Governor Yang at first pursued strictly a policy of watchfulness. He virtually closed the Sinkiang-Russian frontier; Nazaroff, a Russian "white" who tried to escape from Russian Turkestan to Kashgar, has given a clear account of the difficulties encountered by anyone attempting to cross into

648 is best that each claim be made the subject of friendly and direct arrangements between both governments. The Russian representatives nevertheless agree to bring before the Government at Tashkent a measure in accordance with Chinese claims.

The above stipulations, rendered in the Chinese and in the Russian languages, have been approved by the representatives of both parties each of whom is keeping a signed copy.

The most conspicuous points of this document are its local character, the new limitations on the type and extent of Russian representation in Sinkiang, the restriction of trade to one route, and the provisions stipulating return to Russia of refugees in China. Negotiations apparently were conducted between authorities of Sinkiang and Russian Turkestan, not between the Government of China and the Government of Soviet Russia. Instead of the former Tsarist right to seven consular establishments in Sinkiang, by the agreement Soviet authorities are only alloted offices for commerce and foreign affairs at Sui-ting (I-li) and nearby Ning-yüan (I-ning). Only trade via North Sinkiang is apparently provided for, and none via South Sinkiang. Finally the refugee problem, one which the White Russian-Bolshevik differences had been making difficult for Sinkiang authorities, is thrown back on the Soviets. The agreement does, however, open the way to a resumption of trade—of potential benefit to both sides. Moreover, irrespective of the restrictions in the treaty Russian agents appear to have transacted business in Sinkiang shortly afterwards from T'a Ch'eng (Chuguchak).

648 439 In 1921 Soviet authorities made a good beginning toward recouping the former Tsarist commercial position, only to lose the trust of Chinese tradesmen a year or so later. For instance, the Siberian foreign trade organization, Sibvneshtorg, opened offices at Semipalatinsk and sent an agent to T'a Ch'eng. According to Gabitov, 8,500 head of large cattle and around 169,000 sheep were successfully contracted for. The last payment on the contract was made by December of the same year, only two months after the last delivery of the cattle. This placed Sibvneshtorg on a strong basis in Sinkiang, and even livestock on credit became available to it rapidly. But in 1922 the Semipalatinsk division of Sibvneshtorg went under the control of what was then

called Kirkrai, whose name indicates a "Kirgiz regional" organization. Apparently weaker in resources and interested in local and temporary advantage more than long-range commerce, Kirkrai soon undermined this sound beginning.

In the fall of that same year the T'a Ch'eng representative of the local Soviet foreign trade agency, Kirvneshtorg (presumably a foreign trade subsidiary of Kirkrai), entered into five contracts with Sinkiang Chinese to purchase livestock. The price was one ruble twenty kopeks banked silver a pood, live weight, for both cattle and sheep. The account was carefully detailed and compensation was to be made in a barter-like fashion thus:

40% in manufactured goods (mostly cotton)
25% in silver
18% in iron and iron manufactures
7% in green tea (brick)
7% in various crockery
2% in sewing thread
1% in glass

The cattle were taken from the market and pastured for the winter in accordance with the agreements; but the Kirvneshtorg payments were held up long after the cattle were delivered. In fact several traders from China were not paid for their livestock until June, 1924; and then many of them received payment only because they themselves traveled all the way to Moscow to get it.

"Similar dealings," wrote Gabitov in 1925, ". . . undermined every trust in Kirvneshtorg . . ." There were other Soviet attempts to revive the trade between 1922 and 1924, but they had little success.

Trade Shifts and Advocated Reforms

While Soviet economic relations were thus muddling along in the north, the Soviet Government "was entirely unrepresented" in South Sinkiang. Considerable anti-Soviet political agitation even emanated from there. This, in turn, was accompanied by a striking shift in trade. A considerable amount was diverted from the Kashgar-Osh

439 route into Russian Turkestan to trails connecting Kashgar with India, especially that via Yarkand and Ladakh (Ladok). American, British, German, and Japanese firms busily began opening offices in Sinkiang, and some of these even got as far north as Tarbagatai (T'a Ch'eng). While the main point of origin for the new trade was British India, some commerce came from Tientsin. A British firm, apparently called Agrico, even entered into an arrangement with the Russian organization Sibsel'soius of Novo-Nikolaevsk to send goods in transit through Semipalatinsk and then by Russian railway to Tientsin. These western and Japanese firms had certain very real advantages over Soviet Russia in this period. They could pay without any considerable delay, and they could pay in cash; the Russian traders, on their part, were continually delaying payment, were hampered by the Red "red tape," and often broke their contracts.

Yet even in that early period farseeing Soviet students of Central Asian economics envisaged a day when Russian trade could surpass that of other powers in Sinkiang. Gabitov advocated a number of reforms and innovations which, he concluded, would restore Russian commercial prestige. His well-considered and now historically significant recommendations included the following:

1. The transfer of the local agent of the foreign trade office from Kirkrai to Turkkrai. (This change was intended to ensure impartiality as to which area of Russian Turkestan was to be allotted a specific item of Sinkiang business.)

2. More speedy completion of a railway line from Tashkent.

3. Punctual payment of all contracts, in any case for the next one or two years, until Russia had re-established her credit.

4. The production of manufactured goods of every sort so that Russians could compete with the Japanese in the sale of cheap items in Sinkiang.

5. Reduction of cartage rates from the borders.

6. Those dealing in the area to have full knowledge of the local border and of its commercial likes and dislikes, and to maintain friendly relations with the local Chinese population.

"Under the spur of these improvements," Gabitov concluded, "it is

safe to say that Russia will quickly regain her former place here in commercial relations. For, under such circumstances, English and Japanese competition with Russian goods should be exceedingly difficult."

A New Diplomatic Gain

Opportunity for Soviet Russia to regain standing in Sinkiang at last came with the opening of diplomatic relations between China and the Soviet Union in May, 1924. Not only did the Soviet Government soon reopen consulates and establish a consulate-general in the province, but commercial relations became greatly improved.

The opening of the first Soviet consulate in Sinkiang, that at T'a Ch'eng (Chuguchak), took place in December, 1924. The red flag was raised in the presence of a number of persons, including the Chinese administrator of the circuit and the Soviet consul. Some months later another Soviet consulate was opened at Sharasume (Ch'eng-hua), and a Soviet consulate-general established at Tihwa (Urumchi). By August, 1925, a Soviet consul had also taken up residence at Kashgar. China on her side utilized the new friendly relations to establish a consulate-general at Semipalatinsk, in Kazakhstan, and consulates at Tashkent, Andizhan, Zaisan, and Alma-Ata.

Though these events were a part of the increasing Chinese-Russian cordiality from 1924 to 1926, they were to have special meaning for Sinkiang-Soviet relations. For by August, 1927, bloody conflict had broken out between the Chinese Nationalists and the Chinese Communists in Central China. This quickly put a strain on the friendship that had for such a short time existed between China and the U.S.S.R. Yet Sinkiang authorities, irrespective of Central China policy, appear to have desired to keep close ties with Russia. How strong those ties had become is suggested in the following commitment assertedly made on December 28, 1927, to the editor of a Semipalatinsk newspaper:

> The dark reaction in Central China has taken on frightful proportions in the unprecedented manifestations against Chinese workers and against the representatives and representations of the friendly republic of the U.S.S.R. This fact is grievous to us, for we are the official representatives of the Chinese Republic. In order to make known precisely

month . . . A struggle for the succession to power . . . would precipitate Russian control, if not formal Russian rule." 648

Re-establishment of formal Soviet political relations with Sinkiang under Yang Tseng-hsin had given Soviet foreign trade interests a grand new opportunity; and completion of the Turksib Railway, on the Soviet side of the frontier, in 1930 climaxed this. The new railway could bring Moscow's latest products to the doors of Sinkiang in but a few days, and therefore Soviet trade could successfully overcome all competition—including that from the Chinese and British. By 1930 Sinkiang was already falling economically into the hands of her Soviet neighbor; and the Ha-mi insurrection left Chin Shu-jen too weak to resist the trend.

When civil war came, it threw the province not only into military and political, but even into financial, chaos. Sinkiang money was then principally fiat paper currency, with little value once public confidence had been lost; and the civil war indeed destroyed public confidence in it. To a certain extent the evil might have been alleviated by shipment of real goods out of the province and by deposit of the foreign or Nationalist Chinese currency receipts in foreign banks or other banks elsewhere in China. But, since Soviet Russia had gained a near monopoly on Sinkiang trade, outside currency could be obtained for Sinkiang inhabitants practically only by Soviet sufferance. Through her control of Sinkiang trade Soviet Russia had gained a hold on Sinkiang finances as well. 648 652

Nor did Soviet Russia have reason to consider her favored position in Sinkiang lightly. Between 1923/24 and 1930 inclusive, Sinkiang annual exports into the U.S.S.R. had risen from 3,015,000 to 16,033,000 rubles; and annual imports into Sinkiang from the U.S.S.R. had leaped from 418,000 to 16,027,000 rubles. This meant a rise in the total annual trade from 3,433,000 to 32,060,000 rubles. Moreover, up to that date, in tonnage as well as in value of visible items of trade, Soviet Russia had continually received more from Sinkiang than she had returned. That situation even continued from 1931 to 1937 inclusive, so far as recorded bulk is concerned, though it altered at times in respect to recorded value. 648 439

It was not merely the rubles that could be realized from what Sin- 648

2: Norins S-4 (1939-1941) 1944 All Sinkiang All

648kiang had or would buy—not merely the wool, the cotton, sheep guts, livestock, and horses that came across the border—that made Sinkiang so valuable to the Soviet Union. Japanese occupation of Manchuria in 1931 had upset the whole strategic orientation of Northeast Asia; and a new, dynamic Soviet interest in Sinkiang development was a logical counter. A new aggressive force had thrust herself upon the Asiatic continent and, from the Soviet point of view, had endangered not only the Soviet Maritime Province and Mongolia but the whole Russian strategic position in Northeastern and Central Asia. For Manchuria is but a part, the easternmost sector, of a vast and interrelated Inner Asian living space which includes Mongolia and Turkestan and which quickly reacts in each of its distinct parts to political changes in any other part. Specifically, from Manchuria there is in normal times relatively easy access to the caravan routes which cross into Sinkiang from Outer and Inner Mongolia. Should Japan master or influence those, Russia would be completely outflanked in Asia. Already by 1933 Japanese designs on Jehol and Inner Mongolia had been revealed, and they were thought to have been reflected in the Sinkiang war. Had China herself been able to consolidate Sinkiang strongly in opposition to Japanese intrigues, perhaps Soviet concern would have been less. But the flight of Chin Shu-jen in 1933 left instead a Sinkiang political chaos which Soviet Russia could ignore only at her own peril.

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The specific technique by which Soviet aid was given Sheng Shih-ts'ai has not been adequately revealed. But without an attempt at too complicated an analysis, it can be indicated by a glance at the record of Soviet-Sinkiang commerce since 1923. The steady increase by bulk in total Soviet import-export trade with Sinkiang from 1923/24 continued till 1931 and 1932, when sharp drops were registered. After 1933 the trade again rose. The bulk rise in 1933, practically all of it, represents Sinkiang shipments to Soviet Russia; that in 1934 mostly Soviet shipments to Sinkiang. The trade figures after that show a steady rise by bulk on both sides. By 1936 and 1937 total import-export trade had jumped to over 60,000,000 rubles in value and to over 50,000 tons in bulk—in sharp contrast with the record of around 3,000,000 rubles and 13,000 tons in the year 1923/24.

ten per cent of the people of Sinkiang. It is doubtful if the exact number who live in Sinkiang is known, but Owen Lattimore indicated in 1934, at the start of Sheng Shih-ts'ai's administration, that they numbered one to two hundred thousand and were mostly distributed in the north. These are, in a sense, the "Chinese" with whom the Occident has long been familiar. But often they are descendants of men who came to Sinkiang as criminal exiles. Other Han Chinese migrated there as merchants. Many came as a "gravy train" along with appointment of a leading official from their home region. Tso Tsung t'ang, who "pacified" the Chinese Northwest near the close of the Manchu Dynasty and was mainly responsible for formal establishment of the province, was a Hunan man and brought many Hunanese into Sinkiang with him. In like manner, Yang Tseng-hsin, who had a long term as governor at the turn of the twentieth century, brought many from his native province of Yünnan. Chin Shu-jen later added more from Kansu.

These Han Chinese became mainly the administrators, the soldiers, the traders, the businessmen, the shopkeepers, of their communities. Shansi men have been noted as money-lenders, Pei-p'ing and Tientsin men as general merchants, and Hunan and Hupeh men particularly as dealers in brick tea. Chinese entering Sinkiang from the east did not often become farmers except for a few, such as those who fled from dire poverty in Kansu and Shensi. Usually the Han have located in the larger cities of the province, and the great majority have settled around Tihwa and Sui-ting and some in Kashgar, farther south.

Han Chinese organized and maintained much of the trade which passed through Sinkiang from the Occident to the Orient and back in olden days. Theirs was principally a commerce in tea, silk, and spices, and the commodities for which these things were exchanged, such as furs, skins, jade, and rare metals. Due to troublesome factors of distance and topography, as well as of war and politics, this remained for the most part a luxury commerce, and was always too precarious of itself to support the outlying frontier. The "foreign trade," it has been said, went "over the heads" of the native population. It did so because it was largely a Han-Occidental, and not so much Sinkiang-Occidental, commerce.

439 69. The following is a statement of Sinkiang-Soviet trade from the economic year 1923/24 to 1937 inclusive:

Date	Exports From Sinkiang To the U.S.S.R.		Imports Into Sinkiang From the U.S.S.R.		Total Trade	
	Th. Rubles	Tons	Th. Rubles	Tons	Th. Rubles	Tons
1923/24	3,015	12,215	418	839	3,433	13,054
1924/25	4,535	18,321	2,611	2,912	7,146	21,233
1925/26	10,331	27,925	6,092	4,659	16,423	32,584
1926/27	11,754	21,788	10,232	7,302	21,986	29,090
1927/28	13,528	24,575	10,647	7,800	24,175	32,375
1929	16,435	20,440	16,396	12,502	32,831	32,942
1930	16,033	27,232	16,027	10,957	32,060	38,189
1931	10,212	23,936	13,954	7,148	24,166	31,084
1932	12,305	21,838	15,698	8,006	28,003	29,844
1933	18,822	35,899	10,856	7,412	29,678	43,311
1934	5,945	22,630	4,730	18,894	10,675	41,524
1935	6,049	26,665	4,550	20,113	10,599	46,778
1936	25,671	28,498	26,145	22,786	61,816	51,284
1937	25,774	28,990	34,753	25,733	60,527	54,723

Figures to and including 1927/28 are from C. Zashchuk, "La situation économique de Sindsian," *Novyi Vostok*, No. 26-27 (1929), pp. 120-121; figures from and including 1929 to and including 1935 are from P. Vostokov, "L'U.R.S.S., la Mongolie extérieure et le Sin Kiang," *Le Monde Slave*, 1936, II (June), pp. 448 and 457; figures for 1936 and 1937 are from R. S. F. S. R., *Glavnoe Tamazhennoe Upravlenie Statistika Vneshnei Torgovli SSSR*, 1936, XII (December), p. 7; and 1937, XII (December), p. 7. From October of one year to September 30 of the next constituted an "economic year" up to 1929 for the Russian Customs. The statistics for 1930-1933 are particularly subject to question due to the existence of conflicting official Russian data. *Vide* Vostokov, *loc. cit.*, p. 456, n. (2). A 1941 Soviet source adds that the "annual trade turnover" of Sinkiang is "nearly 62,000,000 rubles." *Malaia Sovetskaia Entsiklopediia* (Second edition, *tom* IX, State Institute for the "Soviet Encyclopedia," Moscow, 1941), column 716.

An idea of the type of commodities exchanged between Soviet Russia and Sinkiang is seen in 1931 trade figures offered in the *Ts'ai-cheng P'ing-lun* for November, 1942:

Important Items of 1931 Soviet-Sinkiang Trade (Rubles)

Imports to Sinkiang from Soviet Russia		Imports to Soviet Russia from Sinkiang	
Textile goods	11,361,000	Sheep wool	4,896,000
Petroleum products	144,000	Leather	2,009,000
Sugar	976,000	Livestock	2,891,000
Electrical products	850,000	Cotton	767,000

The same publication, for purposes of rough comparison, gives statements of commodity exchange between Sinkiang on the one hand and China Proper, India, and

2: Norins S-4 (1939-1941) 1944 AII Sinkiang AII

Afghanistan respectively on the other. The pertinent figures are assertedly based upon a 1927 British Consulate report but, since the citations are offered by the Chinese source with certain internal inconsistencies, they ought not to be considered here as valuable for more than rough approximations of an actual situation. The figures, given below, make available a crude and very limited commodity yardstick for comparison of former Sinkiang trade relations with neighboring areas. Due to the above-mentioned inconsistencies, the Sinkiang-Indian import and export trade totals and the Sinkiang-Afghanistan import trade totals here are the author's own computation of the available *Ts'ai-*

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Sinkiang Trade with China Proper (Rubles)

Imports to Sinkiang		Exports from Sinkiang	
Red tea	770,000	Gold	475,000
Pearls	600,000	Cotton cloth	200,000
Japanese silk	256,000	Canvas	36,000
Cotton yarn	76,000	"High quality" cotton cloth	26,250
Coins and gold	69,750	Total	737,250
Total	1,771,750		

Sinkiang Trade with India (Rubles)

Imports to Sinkiang		Exports from Sinkiang	
European cotton cloth	276,848	Horses and ponies	101,235
Drugs	29,426	Cotton cloth	35,698
Skins (not including sheep and goat skins)	61,663	Copper	742,654
Leather goods	41,448	Raw and waste silk	47,331
Paints and dyes	226,254	Woolen goods	358,451
Pearls (European)	71,335	Felt carpets	25,524
Down of the wild swan	115,334	Coins	26,789
Silk goods (Indian)	24,876	Gold, silver, and silver "shoes"	233,759
Spices	36,562	Leather goods	16,339
Red tea (Indian)?	27,386	Sheep wool	17,288
Red tea (not including Indian)	23,098	Donkeys and horses	7,508
European woolen goods	42,000	Hard jade	8,272
Total	976,230	Total	1,620,848

Sinkiang Trade with Afghanistan (Rubles)

Imports to Sinkiang		Exports from Sinkiang	
Opium	675,000	Cotton cloth	167,500
Mountain goat gut	600,000	Sheep wool felt goods (carpets and blankets?)	80,000
Horses	45,000	Silk floss	75,000
No-tun (?) skin	10,000	Ceramics	21,200
Fox skin	24,000	Horse blankets	16,800
Mountain cat skin	4,350	Mules and horses	13,000
Foreign almonds	3,600	Khotan silk	12,500
Total	1,361,950	Total	386,000

2: Norins S-4 (1939-1941) 1944 All Sinkiang All

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cheng Ping-lun commodity data. *Vide* Violet Conolly, *Soviet Economic Policy in the East: Turkey, Persia, Afghanistan, Mongolia, and Tana Tuva, Sinkiang* (Oxford University Press, London, 1933) for additional basic discussion concerning related economic problems in the period previous to inception of the New Sinkiang.

71. "Unity" in 1936: Ch'en Chi-jung, "Hsin Hsin-chiang Ti Ts'ai-cheng," article obtained by the author in Lan-chou, China, January 4, 1940. Sheng's desire to "revive" Sinkiang: Tu Chung-yüan, *op. cit.*, p. 92.

71-72. *Ibid.*, pp. 93-94.

72. The fact (1) that there are today varying interpretations within China of the Three People's Principles and of the direction which the Chinese National Revolution should take and (2) that China has been constantly revising her program of action to meet dire wartime necessities, indicates that Resistance and Reconstruction may have, for the immediate practicable purposes of prosecution of war against Japan, taken precedence over the Three Peoples Principles.

73. Lattimore, "Chinese Turkestan or Sinkiang (Hsinchiang)," *loc. cit.*, p. 88; *idem*, *Inner Asian Frontiers of China*, p. 201; Hedin, *The Flight of "Big Horse,"* pp. 13, 246; Peter Fleming, *op. cit.*, pp. 30, 253.

73-74. For the text of the Sino-Russian treaty see notes to pages 57-58 *supra*. For resolutions of the All-Sinkiang Congress *vide* "Hsin-chiang Ti-san-tz'u Ch'üan Sheng Tai-piao Ta-hui," *loc. cit.* Reference to the June 16, 1939 trade agreement is to be found in the *New York Times*, June 25, 1939.

74. An English language text of the Russo-German Pact of August, 1939, is to be found in the *New York Times*, August 24, 1939. The Chinese defensive measures were personally witnessed by the author. Final ratification of the Sino-Russian trade pact was announced as taking place January 5, 1940.

74-75. *Sinkiang Daily News*, December 17, 1939, and October 4, 1940; *Hsin Hua Jih-pao*, December 12, 1940; and *Ta Kung Pao*, January 28, 1941. An English language text of the Soviet-Japanese Non-Aggression agreement is to be found in the *New York Times*, April 14, 1941.

76. Wendell L. Willkie wrote in early 1943 that Sheng Shih-ts'ai had "shifted his allegiance to the Generalissimo." This might have been worded more fortunately, but it was nevertheless indicative even then of a subtle shift in Sinkiang affairs and is pertinent to some other comments in Willkie's book, *One World*. According to the latter, "the legends which pass as news in Asia have it that Russians were accused of complicity in" the "murder" of Sheng Shih-ts'ai's "brother" in June, 1942. In his book Willkie has emphasized the overt appearance of "cordial friendship between Russia and China" yet has spoken of Sheng Shih-ts'ai as having "once" been "sympathetic with the Communists." This would suggest that the switch in Sinkiang affairs away from "Kinship to Sovietism" was becoming noticeable even as early as 1942 when Willkie was traveling through the province en route to Chungking. The recently published information concerning Russian "withdrawal" from Sinkiang, as well as the press dispatches mentioning the alleged Soviet-Chinese border incidents on the Sinkiang-Mongolian frontier, has exposed the shift even more. *Vide* Wendell L. Willkie, *One World* (Paper edition, New York, Simon and Schuster, 1943), p. 47; "Report from Turkestan," *Time Magazine* (October 25, 1943), pp. 27-28; *New York Times*, October 16, 1943, April 3, 4, and 5, 1944.

77-78. For remarks in regard to the Sinkiang population, *vide* also the reference notes for page 32 *supra*. Tu Chung-yüan states that approximately eighty per cent of the

3: Skrine G-3 (1922-1924) 1926 All Sinkiang All

Magistrates who succeed in bringing a certain area of new land into cultivation—35,000 *mu* or about 6,000 acres, I believe—receive a good mark at headquarters and are singled out for promotion. This results occasionally in money being wasted on canals along which the water will not run—" Amban's Follies " we used to call them—but it meant that ambitious Magistrates encourage the spread of cultivation in every way and see that new settlers are left alone by the tax-gatherer. For three years a settler on new ground pays no revenue, and half-rates for the next three.

It is true that moral and intellectual progress does not exist in Kashgaria. There are no schools except those attached to mosques, at which nothing is taught by the mullas but reading, writing and the Qur'an. By means of a strict censorship not only are books and all written or printed matter dealing with current events kept from the hands of Chinese and Muhammadans alike, but the dissemination in writing of news or of any ideas whatever among the inhabitants is effectually prevented. All this, no doubt, is highly reprehensible from the point of view of the democratic idealist. But after all, if the greatest happiness of the greatest number is the *summum bonum* for any community, as some people are still old-fashioned enough to believe, there is a good deal to be said for it. At any rate, in this twentieth-century world of hustle and the Yellow Press, of merciless competition and all-pervading publicity, one may be forgiven for hoping—selfishly, perhaps—that a corner of the earth may long be spared in which a peaceful, contented, simple, lovable and by no means uncivilized population exists without motor-cars or cinemas, without newspapers or telephones, without broadcasting or advertisements, without a mile of railway or even of metalled road, a land steeped in the Middle Ages, picturesque and quaint almost beyond belief—truly an Arcady of Cathay.

Of our life and work at Kashgar the part that D. and I liked best was the touring, of which we had plenty. Though the trade between India and Chinese Turkistan is strictly limited by the great length and difficulty of the Leh route, the number of Indians connected with it who are permanently or temporarily resident in the oases of the Tarim Basin is surprising. At Yarkand alone there are usually between 100 and 150 Hindu traders, most of them representing firms in one or other of two Punjab towns, Amritsar and Hoshiarpur. Sindhi money-lenders from Shikarpur ply their trade at Yangi

439 Hissar, Karghalik and elsewhere. Besides these there are colonies of Muhammadan British subjects in nearly all the districts, some of them purely agricultural immigrants from Northern Kashmir and Chitral, others (and these among the wealthiest in the land) merchants engaged in the Indian trade. Many of the latter have married Turki wives, own land and houses, and have a considerable stake in the country. 648 All these people[1] cling tenaciously to their British nationality and their right to the protection of the Consular court, which 692 under the existing arrangement exercises extra-territorial jurisdiction over them. This is not the place to discuss the ins and outs of the extra-territorial system in general or the details of its application to Kashgaria. Suffice it to say that the Consul-General is kept very busy maintaining order among the British subjects of the various districts, settling their civil disputes, trying cases brought against them by Chinese subjects, helping them to obtain redress in the Chinese courts and generally watching over their interests. Although theoretically the Consul-General deals only with the Taoyin, the representative of the Governor of the province, in practice very few cases, and those only the most important ones of an "international" nature, are heard at Kashgar. The Consul-General works informally with the District Magistrates, either directly or through the British agents ("Aqsaqals") in the various towns. As the majority of the British subjects live from five to twenty marches from Kashgar, it can readily be understood that the most effective and expeditious method of dealing with their cases is regularly to visit the districts in which they reside and settle matters on the spot, either with the District Magistrates or among the British subjects themselves as the case may be. In fact, it was only by travelling once a year down each of the two main roads, Yarkand-Khotan-Keriya and Maralbashi-Aksu-Kucha, with halts varying from one to fifteen days at each district headquarters and with an occasional extra visit to the chief centre of the Indian trade, Yarkand, that I found it possible to keep in touch with the Indian colonies and (what is no less important) on friendly personal terms with the 484 Chinese magistrates. Nearly half of the two and a quarter years we were in Kashgaria was thus spent on tour, and D. and I covered, apart from holiday jaunts to the hills, some 3,400 miles, almost entirely on horseback with our baggage in Peking carts or on the back of pack-ponies. There was

1 [INDIAN MERCHANTS -- ANALYST]

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135 in Kansu province; in addition, bornite, presumed to be very rare in the eastern hemishpere, has been discovered in southern Shensi province, leading to the belief that China may have rich additional bornite deposits. (China Monthly Review, May, 1953, p. 75.) In addition, several new copper deposits were found at Pai-cheng, Urumchi, Kashgar and Ili in Sinkiang province.

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135 Rich iron ore deposits have been discovered with a proved reserve of as much as 47,537,000 metric tons in Sinkiang, sixt among all the provinces. (1945 Mining Report, China Geological Survey). In addition, some new iron ore deposits were found in Urumchi, Kucha, Pai-cheng, Wuka, Ta-cheng, and I-ning. Together with the discovery of some high quality tungsten ore in Wen-chuan of Sinkiang and some manganese ore in Kan-ku and Yung-teng of Kansu, Sinkiang possesses practically all the basic elements for the development of iron and steel industries.

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135 There are many inland lakes and dried up lake basins all over the northwest provinces, among them the Tsaidam of Chinghai and Tarim of Sinkiang, two of the largest inland drained basins in the world. They provide the basic sodium salts. The almost inexhaustible and widespread salt and soda deposits in Kansu and particularly in parts of Ninghsia, Chinghai and Sinkiang together with the nearby rich oil fields provide a sound basis for the development of chemical industries.

While the mineral resources of northwest China are still being surveyed and their actual extent is not known, the outlook

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[131] appears promising, particularly in the province of Sinkiang.
[161] All in all, northwest China with an area of 412,159 square miles and a population of 35,359,525, endowed with mineral wealth, has great prospects of becoming one of China's major industrial centers in the future.

B. The Principal Minerals

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1. Fuel and Power

a. Petroleum and Oil Shale

315 Until recently, oil refineries in China have been crude, most of them having been manufactured locally; the only ones

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of any size are located at Shih-you-ho in Kansu and at Tu-shan-
[439] tzu in Sinkiang. New refinery equipment was ordered from America at the end of the war, which provided a modern installation capable of handling greatly increased production and making oil products of a much better grade from the Shih-you-ho plants at the YÜ-men field in northwest Kansu. Some similar modern refinery equipment has been bought from the Soviet bloc, reportedly Poland, Czechoslovakia and Rumania, for the

S 316 and Karashar. Both placer and lode or vein gold are mined. Placer gold is mined in the Ili River, the Kashgar River, S [804] Alintu River, etc. From 100 poods of ore, two to three zolot- [433] niks of gold are obtained (one pood : 16.38 kg. and one zolotnik: ninety-sixth part of a former Russian pound). One lode mine is said to have 1.6 ounces a ton. Placer gold is also found in Chinghai. Gold has been exploited systematically in both primitive and modern ways. Where water is available, gold is obtained by washing; where water is not available, by sifting the dirt in wind. The yearly gold output of the province is said to total 100,000 ounces. Gold mining operation in the Altai mountains has been on the increase since 1917 when some 10,000 miners extracted gold valued at over 60,000 taels. In 1942 S [439] thousands of mines were said to be operating in the district though most of the gold mined is reported to have gone to Soviet Russia. It is claimed that in the Altai Hou-kou field, a two and a half pound gold nugget was mined. Cherchen (Chieh-mo) and Keriya (Yü-tien) are the richest gold deposits of southern Sinkiang. It is said that gold is so plentiful in Sinkiang that all Moslem families have their own caches hidden N away. Gold is panned at irregular intervals from the Hsi-ning 316 and Ta-tung rivers and their tributaries in Kansu province. (See Table IX.)

S 135 c. Silver and Lead: Lead is most extensively distributed in Sinkiang; it is next only to copper in its wide spread.

Silver-lead ore is located in Burlutugai, near the Sairam Lake north of Kucheng and some other places. Lead content S in the ore is up to thirty percent. Mining is carried on very [316] primitively. Lead mining has been carried on at Wu-shih, Yenki, Wusu, Paicheng, and Kashih. At present, only the deposits at the last two places are being worked. Output is very low because of the backward working methods. Silver is much in evidence at Khotan and Karashar.

d. Aluminum and Bauxite

Rich aluminous ore deposits are located in the north of Kucha near Baldir, also in the vicinity of Yu-tien (Keriya) and some other places. In addition, bauxite from which aluminum is extracted, has been found at Ho-feng (Hishih-Tologai) in Sinkiang.

N 4. Non-metallic Minerals:

135 The important non-metallic minerals of Northwest China are salt and gypsum as well as jade and other precious stones.

a. Salt and gypsum.

Ninghsia of Kansu, Chinghai and Sinkiang are extraordinarily rich in salt. The numerous lakes and dried up lake basins provide the basic sodium salt. In eastern Alashan of former Ninghsia province, the Kilantai and the Charatai Dagasu are the most

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135 famous salt basins in Northwest China. The latter is thirty-five miles in circumference and covered with a layer of fine salt two to six feet thick.

The Kilantai salt, commonly known as red salt, exports from T'eng-kou on the Yellow River to the markets of Shensi and Kansu (Ninghsia) each year, besides large amounts of salt.

The gypsum reserves have not been estimated by the geological survey of China, so no figures are available. The Northwest provinces of Shensi, Kansu, Chinghai, and Sinkiang
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[135] are the principal producers. The Taklak gypsum deposit in Wen-su-hsien (41.19 by 79.50), Sinkiang, has been surveyed; with a ten meter thick bed, it is estimated the deposit contains more than 100,000,000 tons. Another gypsum bed at Pai-ch'eng, Kucha (41.45 by 83.04), with a five-foot bed, is estimated to contain 11,000,000 metric tons. A gypsum bed twenty meters thick at Ha-chia-tsun (36.17 by 63.33) in Yung-teng-hsien (36.44 by 103.24), Kansu province, was estimated to contain 500,000,000 metric tons of gypsum. A gypsum bed at Hsi-ning-hsien (36.37 by 101.49), Chinghai province, covers fifty square kilometers with the gypsum bed running from ten to thirty meters.

(See Tables X and XI.)

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317 b. Borax:

Borax is produced in Chinghai province by gathering the top soil near saline lakes or dried-up lake basins, the "Tsaidams." The salts are boiled, and the liquid is evaporated. These crude salts are sent to Huang-yüan-hsien (36.42 by 101.13) for refining and separation of the borax. Raw materials are gathered in Tsaidam Basin, at K'o-erh-ko (36.35 by 100.12) and other places.

Amonium chloride is often found as a residue where Jurassic coal beds have burned out the coal seams. At Ko-hsi-erh-ta-ko
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[317] and Sa-mu-chi-ta-ko in Kucha county (41.45 by 83.04), Sinkiang, ammonium chloride is dug and sold to silver workers for welding; the amount is small. At the Wu-chi-kou coal mine
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[433] (39.01 by 106.03) Ping-lo-hsien, Ninghsia, production is over ten kilograms of ammonium chloride a year. Production can be increased if demand is warranted.

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135 c. Jade and other precious Stones.

Jade and precious and semi-precious stones such as rubies, topaz, jasper, sapphires and emeralds are found and produced in Sinkiang, particularly along the Kunlun mountains in the southern
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[439] part of the province. They are imported via Yümen (which literally means Jade Gate) at the extreme northwest of the Kansu corridor, to the rest of China.

/Turks of Sinkiang/

648 the geographic location of Sinkiang, the lack of adequate transpor-
177 tation facilities, and recently because of the added political complications, foreigners are limited to Chinese, Russians, Turkic and Iranian peoples from Soviet Central Asia, Mongols, Afghans, and Indians. Only a few Europeans (Türk: Frenkler) have visited Sinkiang (with the exception of Russians in recent times), and even fewer of them have remained there for any length of time.
[799] A few European missionaries (most noted among them were the Swedish missionaries in Kashgar), British consular officers, Russian Communist diplomatic representatives and White Russian emigrees constituted the foreign colony in Kashgar, prior to the Communist regime. Today the missionaries and British consular staff members are no longer in Sinkiang.

The attitude of the Turkic people to the Western foreigners has, in general, been quite hospitable and friendly, since they did not constitute a sizable minority and had no apparent intentions which threatened the freedom and way of life of the inhabitants (with the exception of the Soviet Consulate members who engaged in espionage and intrigue in the province). People like C. P. Skrine (who served as the British consul in Kashgar) and Owen Lattimore, give the impression that the people, and particularly the nomadic ones, were hospitable and friendly and regarded the Europeans with a great deal of curiosity and interest. Misafirperverlik 'hospitality' is generously observed by all Turks, by nomadic Turks more so than by the sedentary.

The attitude toward the better-known neighbors is somewhat different. The Chinese, who both do and do not fall under the category of foreigners in Sinkiang, are regarded with great animosity, as mentioned above. The opposition of the native to both the Chinese colonizers and the administration has been extremely strong. The Russian Communists are not regarded with much more love, since the Eastern Turkis feel deeply involved in the fate of their Turkic brothers in Western Turkestan. The great
[167] waves of West Turkic refugees [mostly Kirghiz and Kazakh] to East Turkestan in 1917 and 1944 have kept the Eastern Turks informed on the situation.

[439] Friendly trade relations are usually the basis for the relationships with the Mongols, Indians and Afghans. Although they do not mix quite freely with the Eastern Turks, they are in general accepted and not regarded with animosity by the Turks.

181 F. The Concept of 'Individualism' (Türk: ferdiyetcilik)

The sedentary Turks of Sinkiang are in general highly independent and individualistic people. This individualism finds its expres-
[626] sion in the daily ways and habits of the Turkic people. The pressure to conform to a set of ideas and a set pattern of behavior is slight. The laxity in observance of the religious customs, in

815 668 177 is not quite clear in the minds of the people - they are acquainted with the science of medicine, for which they have great respect, they are bombarded by propaganda telling them of the evil uses of scientific discoveries, mainly the "germ warfare" supposedly launched against China by the United States, and they are encouraged to adopt a "scientific" attitude toward the ideology of Communism, the science of revolution.

829 668 177 [439] Industrialization is, for the most part, a thing of the future as far as Sinkiang is concerned. The Turks do not even have a word for industry. They use now the term caliskanlik, meaning industriousness. Not much has been done in this field, and the products of industry have been brought to Sinkiang from China Proper and Soviet Russia. Since the process of industrialization will so strongly affect a large part of the urban population consisting of independent small artisans, shopkeepers and merchants, it is very likely that these groups will not look with favor at this process.

423 668 177 With the strong emphasis that the Turkic people put on ownership of property, particularly landed property, it is only natural that great resistance is encountered from both the small farmers and the big landowners to the process of collectivization. The incentive to work will, in many cases of collectivization, be taken away from the farmers, when they are not allowed to anjoy the products of their labor. Collectivization is forced on the Turkic people, and involves a basic change in their economic outlook and ideas. Collectivization may not affect the tenants as strongly, since they have never tilled their own land, and the loss to them is not as great, economically or psychologically, as it is to those who owned their land, no matter how small their property was.

K. Attitude toward the Present Political Regime

829 668 177 Communist sources describe the reaction of the national minorities to the new regime and its leaders as follows: "Political consciousness is rising; the people's love for Chairman Mao Tse-tung and their homeland is heightened by all that is happening day by day (Ulanfu, Vice-Chairman of the Commission of Nationalities Affairs, Report of the General Program for the Implementation of Regional Autonomy for Nationalities), or, "The growth of the movement to resist United States aggression and aid Korea has further added to the education in patriotism among our national minorities whose overwhelming majority deeply love and warmly support Chairman Mao Tse-tung and the Central People's Government."

In spite of these statements, it is difficult to conceive how the Turks so "deeply love and warmly support" a Chinese leader who has not brought about the fulfillment of their national aspirations, but those of Chinese nationalism, and who has united them not with the world of Islam but with the Communist block. The glori-

1: Washington S-4 (no date) 1956 AF13 Northwest China
Sinkiang AII

FOREIGN RELATIONS

I. Strategic Importance of Sinkiang

175 648 439 [487] Sinkiang has been one of the most strategic areas of China in imperial and modern times. Ever since the area first came under Chinese control during the Han period (206 B.C. - 220 A.D.), it has been for China a key position for the control of central Asia. The two caravan routes to the north and south of the Tien-shan range linked China with the steppes of western Turkestan and with Europe and the Near East. The control of the oasis cities along these caravan routes gave China not only a dominant position in the trade, but also a check over the states of central Asia that profited from this trade. In the times of the empire the Chinese control over tribal groups in central Asia was strongest when the corridor of trade was safely in Chinese hands.

175 648 Full Chinese control over Eastern Turkestan was maintained, however, only over limited periods in imperial history. In the period of division and chaos that followed the Han period, Turkestan was lost to China and became a contested area between rival tribal states. Chinese control was reasserted in T'ang times by a Chinese dynasty which itself was partly of Central Asian origin. The area was included in the Mongol empire when the Mongols established their rule over China. Lost again under the Ming dynasty, Chinese Turkestan was finally reconquered by the Manchus in the eighteenth century and has been recognized as a part of China since the time when the modern West came in contact with the Chinese world.

The strategic role of Chinese Turkestan has become somewhat modified in modern times. When Czarist Russia expanded her frontiers across the Asiatic continent towards the Chinese border, the Inner Asiatic frontiers of China were threatened by a new type of attack by a modern Western state. The Russian expansion across Asia found its counterpart in the British conquest of India. From that time on the British regarded the high plateaus of Asia as potential basis for an attack on India through the mountain passes of the northwest. Chinese Turkestan became an area of conflicting British-Russian policies, and at the same time an anchor of the whole Chinese defense of Central Asia against Russian and British invasion.

Of the two powers, Russia was by far the more dangerous to Chinese control. Through her move into Asia, Russia became China's neighbor along a frontier of 3,000 miles. Her pressure was exerted in Manchuria and Mongolia as well as in Turkestan. The British-Indian border with China was shorter and the high mountain passes of the Himalayas and the Karakorum provided a

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392 Five tractor repair works were under construction in 1955.
493 Each plant will have sixteen or fifteen mechanized worships. When completed, they will be able to repair as many as 475 tractors and combine harvesters each year in addition to making other farm tools and spare parts.

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327 There are scattered reports on other industrial developments
398 in Sinkiang, such as: (1) the August First Iron and Steel Plant,
399 (2) the October Motor Car Repair and Assembly Shop, (3) the
256 Urumchi Automatic Electric Plant, (4) the modernized August
288 First Flour Mill, (5) the Khotan Silk Factory, (6) Houcheng
399 Airplane Manufacturing Factory, and (7) more than a dozen
237 animal products processing plants, which process skins, furs
439 and intestines for the purpose of exporting them to the Soviet Union. But detailed information on these projects is not available.

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121 5. Handicrafts.
178 The foregoing analysis concerns itself with the development
463 of modern industries in the Northwest under the Communist regime. But handicrafts still play a very important role in this
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463 area as they do in other parts of the country. According to a 1951 report, the main handicrafts in the Northwest were as follows:

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[284] (1) Cotton cloth. A side line of the peasant, it was produced practically everywhere in the area. However, the more important producing districts are: 1. Sian, Paochi, in Shensi, 2. Tienshui, Ho-hsi and Min-chin in Kansu, and 3. Turfan, toqsun and
S N
Aqsu in Sinkiang. In terms of quantities, the total annual output
[433] in Shensi is approximately 3,779,670 pieces; in Kansu, 3,505,760 pieces; in Sinkiang, 4,400,000 pieces.

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[323] (2) Pottery. The annual output of pottery in the Northwest amounts to over 4,000,000 pieces. Of that amount Shensi produces
[433] more than 3,000,000 pieces, Kansu, 500,000, Ninghsia, 200,000, and Sinkiang, 50,000. The more famous pottery-producing districts are: 1. Huang-pao-chen and Chen-lu-chen in Tung-chuan, Shensi, which have been famous since the Sung Dynasty, 2. Yaokai in Yung-teng, Kansu, 3. Ah-kan-chen, Lanchou, Kansu, and An-kou-yao, Hua-ting, Kansu. The production consists mainly of pots, bowls, tea-pots, plates and tea-cups.

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463 (3) Paper. While paper is manufactured in many places in this
289 area, the more important paper-producing districts are: 1. Nancheng (Han-chung), Shensi, 2. Khotan, Sinkiang, 3. K'ang-cheng and Tien-shui, Kansu, and 4. Ying-chuan, Ninghsia. The main varieties are as follows:

(a) The "rough-edge" paper. Usually used as a writing paper,
N it is produced and consumed mainly in Shensi. The annual output
[433] is about 192,490 bundles.

(b) The "Flax paper." It may be made of white or black flax,

and is used mainly for wrapping. The annual output of the white flax paper is about 966,870 bundles, and that of black flax paper is 3,982,480. Part of this is exported to Szechwan, Hankow and Anhwei.

(c) The "improved" paper. It is produced and consumed mainly in Kansu, at the rate of some 300,000 bundles per year.

(d) The "mulberry-skin" paper. It is produced and consumed mainly in Sinkiang, at the rate of some 565,977 bundles a year.

(4) Bamboo articles. A side-line of farmers, they are made in many places, especially in Hua-hsien and Han-chung, in Shensi and Min-hsien, in Kansu. The annual output is estimated as follows: (1)farming implements, 29,280 piculs, (2) sieves, 132,300, (3) large bamboo baskets, 480,000, and (4) small bamboo baskets, 27,000.

(5) Straw hats. Also a side-line of farmers, they are made in many places, especially in Feng-hsiang, Wei-nan, Lin-tung, and Chang-an, in Shensi. The annual output in Shensi alone exceeds 1,377,900 hats.

(6) Brooms. They are made mainly in the districts near Mount Chung-nan, such as Mei-hsien and Chang-an. The annual output exceeds 800,000 brooms.

(7) Straw mats. They are produced mainly in Sui-te, Shensi, Chang-i, Kansu and Ninghsia City, Ninghsia. The annual output exceeds 3,000,000 pieces.

(8) Wooden rakes. One of the main farming implements in the Northwest, they are made mainly in Chang-an, Pu-cheng and Tung-chuan, Shensi. The annual output is about 88,000 pieces.

(9) Iron utensils. They are produced mainly in Pao-chi and Feng-hsiang in Shensi, and Tienshui in Kansu. The annual output is about 76,000 counts.

(10) Carpets. Carpet-making is one of the main handicrafts in Sinkiang. The carpets come in various sizes, up to eight by sixteen feet. The annual output exceeds 10,000 square feet. Of that quantity, some six thousand square feet is exported to India, Afghanistan and Soviet Russia and the rest is sold locally or to other provinces in the Northwest.

6. Evaluation and Prospects.

For the time being, the Communists seem to have concentrated on two things in industrializing the Northwest, one being the cotton industry in Shensi and Sinkiang, and the other being the oil industry in Kansu, Sinkiang and Chinghai. From the economic point of view, these developments are not unnatural, because Shensi and Sinkiang have been famous for their raw cotton, and the oil reserve in China is largely located in the Northwest.

While the present industrial development in the Northwest may not appear so impressive, this area will probably become

than that of Kansu. The details are shown in the following table:

Table IV: The Exports and Imports of Ninghsia, 1933

Description	Value (yüan)	
A. Exports:		4,040,000
opium	2,400,000	
sheep's pelts	900,000	
medical herbs	450,000	
wool	240,000	
hair-like weeds	50,000	
B. Imports:		2,270,000
cotton piece goods	1,400,000	
silk, woolen cloth, cosmetics	300,000	
sundries	120,000	
cotton	150,000	
grain	300,000	
Grand Total		6,310,000

Source: Shina Shōbetsū Zenshi, 1943 ed., Vol. 7, pp. 638-39.

D. Chinghai

Trade in Chinghai is centered around Hsi-ning, the provincial capital. Aside from the two routes which connect Hsi-ning and Lanchou, there is another route leading to Tibet and still another to Sinkiang. The main exports were fur, hide, grain, salt, lumber and medical herbs, among which fur and hide, the staples, are mostly shipped to Tientsin for re-export. The main imports are cotton piece goods and silk. Trade statistics are not available. It is also known that there was considerable trade between Chinghai and India, but details are lacking.

E. Sinkiang

Trade in Sinkiang is a little more complicated, because Sinkiang trades not only with agricultural China, but also with Soviet Russia, India and Afghanistan. So far as the trade with agricultural China is concerned, there are three main trade routes. One runs from Urumchi to Tientsin via Kobdo, Urga and Pao-t'ou, generally known as the Outer Mongolia Great Grass Route. Another runs from Urumchi to Tientsin via Qomul (Hami), Darkhan League, Kuei-sui and Pao-t'ou, generally known as the Inner Mongolia Lesser Grass Route. And still another is the historical Great Northwest Highway which leads to Sian via Qomul (Hami) and Lanchou. The Outer Mongolian route had been out of use since the independence of Outer Mongolia. The Inner Mongolia route was originally a caravan route. But since 1933, the section between Urumchi and Kuei-sui has been open to motor traffic under the name of Sinkiang-Suiyuan highway.

439 motor traffic under the name of Sinkiang-Suiyuan highway. In
491 1935 there were about fifty trucks or buses running on this high-
494 way, making four trips a month. The historical Great Northwest
195 highway has also been open to motor traffic since 1930. During the Sino-Japanese War, this traditional highway was one of the most important outlets of free China. It is reported that in the first half of 1942, some seventy million rubles worth of tea, tung oil, bristles, wool and other goods were exported from China to Russia through this route. On the other hand, there were some fifteen million rubles worth of dried goods, metal, canned goods and wine imported to China during the same period, together with an unidentified amount of weapons and war material that the Soviet Union sent to China under the 1939 Sino-Soviet Military Agreement. The total number of five-ton trucks used during the period was 3,600; but those actually in operation were only about a thousand. The total capacity, including camels, of that route was not more than two thousand tons per month. (Cf. Shina Shōbetsū Zenshi, Vol. 8, pp. 636-39. It must be taken into account that this is a Japanese source.)

195 Table V: Trade Between Sinkiang and Tientsin, 1930-32 average
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435 Description	Value (yüan)	
A. Exports:		5,298,900
sheep intestines	2,400,000	
furs and hides	2,809,000	
raisins	54,000	
medical herbs	17,200	
dried mushrooms	18,000	
B. Imports:		2,743,562
cigarettes and tobacco	808,720	
woolen cloth	104,550	
silk	223,600	
linen	285,200	
cotton goods	110,200	
medical herbs and drugs	84,730	
stationary and books	70,700	
hats and shoes	99,000	
tea	868,852	
leather goods	6,800	
cosmetics	28,350	
paints and dyes	1,200	
hardware	2,160	
seafood	4,100	
chinaware	1,560	
miscellaneous	2,240	
Grand Total		8,042,462

Source: Chung-kuo Ching-chi Nien-chien, 1935 ed., vol. 3, pp.88-90.

439 [487] It is understood that there was also considerable trade between Sinkiang, Lanchou and Sian, which, in fact, was the main trade route, but detailed information is not available.

According to a Japanese estimate, the Chinese goods were distributed to the various cities in Sinkiang in the following proportions, which also show the relative commercial importance of the different cities or areas:

Table VI: Distribution of Chinese Goods among Cities in Sinkiang

Place	Percentages of Goods Distributed
Urumchi (Tihua)	25.0
Ili (Huei-yüan)	20.0
South Sinkiang	18.0
Ta-ch'eng (Chuguchak)	15.0
Ku-ch'eng-tzu (Chitai)	12.0
Sharastme (Cheng-hua)	4.0
Hami (Qomul)	3.0
Khobdo (Jirgalantu)	3.0
Total	100.0

Source: Shina Shōbetsū Zenshi, Vol. 8, pp. 534-35.

439 435 175 As to the direct foreign trade, the main country is Soviet Russia. According to official Soviet reports, the value of the Soviet-Sinkiang trade is as follows:

Table VII: Value of Soviet-Sinkiang Trade (unit: 1,000 rubles)

Year	Imports	Exports	Total
1931	13,954	10,212	24,166
1932	15,698	12,305	28,003
1933	10,826	18,822	29,648
1934	4,730	5,945	10,675
1935	6,049	4,550	10,599
1936	36,145	25,671	61,816

Source: Shina Shōbetsū Zenshi, 1943 ed., Vol. 8, p. 514.

439 175 The main exports of Sinkiang to Russia were grain, fruits, wool, fur, meat, paper, cotton, silk, animal intestines and cattle; and the main imports of Sinkiang from Russia were textiles, sugar, metals and metal manufactures, glass and chinaware, oil and matches. The exports of Sinkiang constituted 1.01 per cent of the value of goods that Russia imported from East Asia in 1931, and 1.77 per cent of that in 1932. The imports of

1: Washington S-4 (no date) 1956 AF13 Northwest China
Sinkiang AI1

439 175 Sinkiang from Russia constituted 1.58 per cent of the value of goods that Russia exported to East Asia in 1931, and 2.78 per cent of that in 1932.

Aside from Russia, Sinkiang has also entered a close trade relation with India and Afghanistan. According to 1927 statistics, the trade between Sinkiang and India amounted to 5,001,413 gold rupees. The details are as follows:

439 435 175 Table VIII: The Trade Between Sinkiang and India, 1927

Description	Value (rupee)	
A. Imports:		1,186,848
European cotton goods	276,916	
leather goods	41,448	
dye	326,254	
hide (other than sheep)	61,663	
drugs	29,426	
pearls	71,335	
velvet	115,334	
Indian silk	24,876	
spice	36,562	
Indian black tea	27,386	
other black tea	23,098	
European woolen goods	42,000	
Russian metal goods	41,298	
B. Exports:		2,814,565
horses and ponies	101,235	
cotton cloth	35,698	
cankas	96,434	
iron and copper	742,654	
raw silk	31,294	
woolen goods	358,451	
felt carpet	25,524	
iron goods	66,789	
gold	72,631	
Russian metal goods	189,242	
silver	110,377	
leather goods	16,339	
wool	17,288	
woolen thread	16,037	
donkeys and mules	7,508	
jade	8,272	
Grand Total		5,001,413

Source: Chung-kuo ching-chi nien-chien, 1935 ed., Vol. 3, pp. T.94-95.

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439 The trade between Sinkiang and Afghanistan of the same year
435 amounted to 1,378,040 gold rupees. The details are as follows:
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Table IX: The Trade Between Sinkiang and Afghanistan, 1927

Description	Value (rupee)	
A. Imports:		830,500
opium	675,000	
horses	10,000	
furs and hides	52,350	
Russian metal goods	8,550	
almonds	3,600	
B. Exports:		547,540
cotton cloth	176,500	
cankas	94,500	
woolen carpet	80,000	
horses	57,000	
chinaware	21,200	
felt carpet	16,800	
donkeys and mules	13,000	
Khoten silk	12,500	
Grand Total		1,378,040

Source: Chung-kuo ching-chi nien-chien, 1935 ed., Vol. 3, p. T.95.

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*668 II. The Communist Period
43 Trade in the Northwest under the Communist regime may be described in two parts: (1) changes in volume and kind, and (2) government control.

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[198] A. Changes in Volume and Kind

As far as the physical characteristics are concerned, trade in the Northwest under the Communist regime seems to have remained more or less the same as it was before, because economic reconstruction in this region is still in its initial stage.

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*668 The following changes, however, may deserve special attention:
496 First, the Communists have taken great pains to improve trans-
491 portation in the Northwest. The most ambitious project, of
198 course, is the Lanchou-Alma Ata Railway, which they plan to complete by 1957. Other improvements include: (1) the Lanchou—Pao-t'ou Railway, which is still under construction: (2) the Hsi-ning-Lhasa Highway, which was opened to traffic on November 16, 1954: and (3) the Tunhuang-Chinghai Highway, which

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*668 links Kansu and west Chinghai, and was opened to traffic in De-
491 cember 1954. Besides, it is also reported that the original Lan-
198 chou-Chengtu and Lanchou-Urumchi highways have been improved upon, and the Outer Mongolia Great Grass Route between

3:Cable & French M-5 (1926) 1927 AF13 Northwest China
Sinkiang AI 1

tables were finer even than those of Hami. One street was given up to the furriers, who worked in rather showy but inferior skins, the best quality not finding its way to Kucheng. Another street held the silversmiths, while here and there a photographer or watchmaker advertised himself as being the branch shop of a Peking firm. The whole business quarter was gay and prosperous, but the Turki shops were fewer in number and inferior to the Chinese. The importance of Kucheng lies in the fact that it is situated at the terminus of the great desert trade-route to Peking, which passes by the Yellow River to Paotowchen and Kweihwating. These two important marts of North Shansi are 1500 miles from Kucheng, and the camel caravans habitually travel to and fro carrying the highly-prized bazaar wares over the desert. In normal times the camels are always on the move, though they may take from three to six months to accomplish the journey, but at the time of our visit this route was closed owing to the activity of the War Lords. We were told that whereas before 1914 the British and German goods were the most highly valued on the market, at the present time Russian and Japanese wares had superseded them. It was interesting to find, however, that the Moslem woman's veil which we desired to buy bore a stamp in the corner: 'Made in Manchester.' We stayed in a Mohammedan inn, where we had the immediate *entrée* to the women's quarters, in which our landlord's wives lived in seclusion. The family was very strict in its observance of Islamic rites, and five times a day the prayer-hour was observed. Every morning before sunrise and at evening twilight a long and elaborate liturgy was recited by the head of the house. The purifications which preceded the prayer entailed a washing of face, hands, arms and feet in running water.

3;Cable & French M-5 (1926) 1927 AF13 Northwest China
Sinkiang AI 1

CHAPTER XLI

THE CAPITAL OF SINKIANG

URUMCHI first comes into historical prominence under the name of 'Bishbalik,' the capital of the kingdom established by the Uigurs in southern Dzungaria. Driven out from their first home in the northern part of this province, they wandered south until they found a resting place on the slopes of the Celestial Mountains, and also in the watered land as far as Hami, which territory they transformed so as to make of it the fertile district which it is to-day. The middle of the eighteenth century marks the period, when under the great Emperor Chien Lung, Chinese ascendency finally asserted itself in Dzungaria.

Urumchi is situated at the junction of four great trade routes. One crossing Mongolia, another leading through Hami to Kansu, a third connecting it with Ili and Russia, and a fourth with Kashgar. It thus occupied a position obviously suited to make it the capital of the New Dominion, called by the Chinese 'Sinkiang.' The city has been the battle-ground of many contending forces, having been taken and retaken by Mongols, Chinese and Mohammedans, while during the great Mohammedan rebellion in 1865 it is estimated that 130,000 Chinese were murdered in the vicinity. The word 'Urumchi' is of Mongolian origin; to the Chinese the town is known as 'Tihwa,' but colloquially it is referred to as 'Hungmiaotz'—'The Red Temple.' It is well supplied with water, and with coal of various qualities, and is in easy communication with Manas, from which it draws grain, especially rice; with Turfan which helps to supply it with fruit, and with

3:Cable & French M-5 (1926) 1927 AF13 Northwest China
Sinkiang AI 1

Russia which provides it with manufactured goods, and its own most noted product is sulphur.

The streets of Urumchi present a mass of low, formless, utilitarian buildings, covering a large area. The Governor's Yamen, which occupies a large enclosure, contains spacious courtyards dominated by a high tower, from which the surrounding country can be surveyed. Second in importance to the Government buildings is the new Post Office, constructed with a view to dealing with large quantities of mail material. The postal system is excellently controlled, and for many years the position of Postal Commissioner has been held by a Westerner, who, at the time of our visit, was an Italian. Thanks to energetic organisation, the enforcement of a time limit on the couriers, and the careful division of the road into well-regulated stages, Urumchi is brought within forty-five days of Peking—a truly marvellous accomplishment. The direct postal communication with Europe via Chuguchak, Semipalatinsk, and Omsk was suspended during the war, but is now once more available, by which means letters can reach London in twenty-eight days. There is a wireless installation in daily communication with Kashgar, but this is under the strict supervision of the Governor. The Russo-Asiatic Bank formerly had a branch office here, and a few Western firms have opened agencies through which they now carry on business.

The stream of *emigrés* who left Russia at the time of the Revolution, have had an important bearing on the development of Urumchi, which has resulted in the formation of a Russian quarter. Here the impoverished refugee, the Nogai, and the Sart live side by side, and of recent years the Soviet Government has appointed a Consul General to guard their interests. Permission to erect a statue of Lenin in the Consular grounds has been

3:Cable & French M-5 (1926) 1927 AF13 Northwest China
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journey. It was hard for our driver to restrain his horses until we had taken leave, and no sooner was the final word 'ping-an tsai'—'peace be with you'—spoken, than he scrambled to his seat, lashed his team, and instantly the horses sprang forward, breaking into a quick trot. They proved to be in good condition, and we found that travelling by tarantass was comfortable, and indeed far less wearying than by Chinese cart. Moreover we were able to cover six miles per hour at a steady pace, exactly doubling our former speed, the seven hundred miles to Chuguchak being accomplished in a fortnight, whereas by Chinese cart it would have been a journey of twenty-two days. The roads were good, and the jingling bells, the gaily-painted circus hoop, and the freely-harnessed, trotting horses made a cheerful *ensemble*, while at each half-stage there was a wayside inn where we could buy hot water and make tea.

Mr. Hunter had, at the last moment, decided also to come with us as far as Chuguchak. His little ammunition-cart was, therefore, like our own tarantass, laden to its uttermost capacity. Mr. Mather used his own horse, while Nimga rode by Mr. Hunter's cartside. There was a great deal of traffic on the road, carts of merchandise from Russia and Ili constantly passing us. On the first day we met twelve carts laden with tin and galvanised iron pails, such as are so popular on the Urumchi market, and without which no traveller moves; matches, sugar, and leather formed the cargo of many others. It was long after dark when we reached the first inn at Changki. Every room was occupied, and the courtyard was full of vehicles laden with grain, cotton and water-melons. Each driver was sleeping near his merchandise, and the stalls were crowded with beasts that kicked, squealed, and bit at each other throughout the night. Seeing that there was no

[1] [From Urumchi -- Analyst]